



5E - Effective Employee Wellness Programs - Gallagher



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An Ounce of Prevention is Worth a Pound of Cure



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Lifestyle is the single largest factor for illness and premature death.

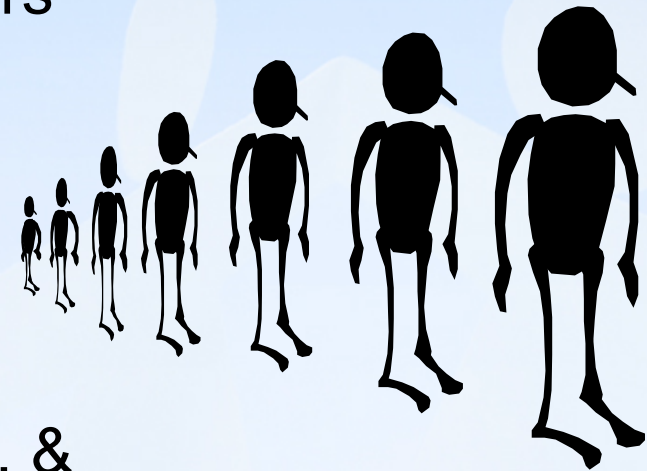


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The Problem

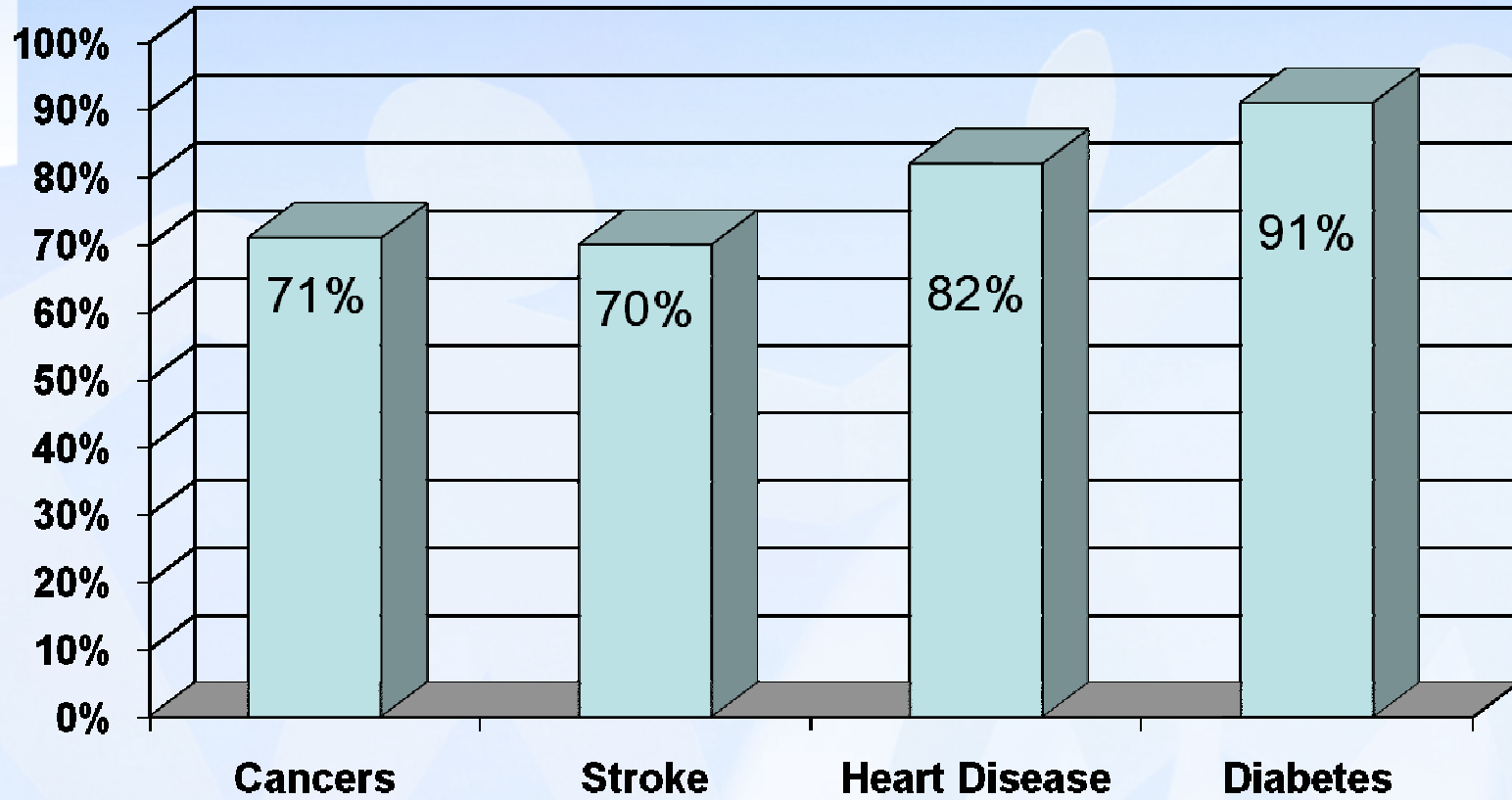


- Modifiable Health Risk Factors
 - Lack of physical activity
 - Poor nutrition habits
 - Tobacco use
 - Alcohol consumption
- 80% of heart disease, stroke, & type 2 diabetes cases
- 40% of cancer cases



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Chronic Diseases Caused by Poor Lifestyle



Sources: Stampfer, 2000; Platz, 2000; Hu, 2001



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The Crisis: Lifestyle



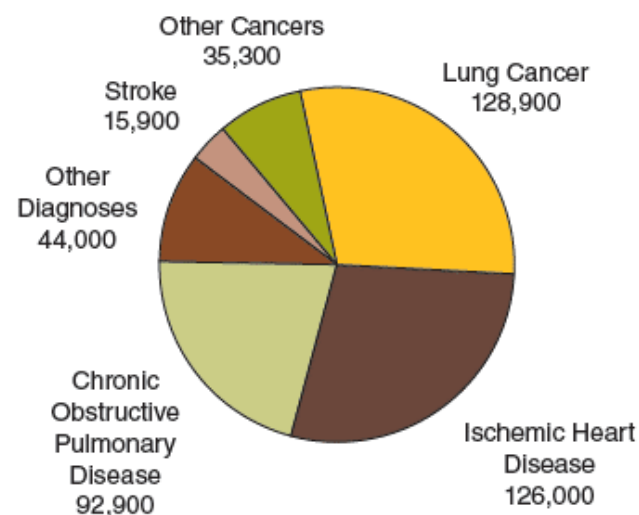
- Americans get 34.7% of their calories from fat.
- 30% of the American adult population gets the recommended amount of physical activity
- 29% of the population stops taking prescribed medications before they run out
- More than ½ of Americans with chronic disease do not follow physician lifestyle recommendations
- 20.8% of Americans smoke tobacco

The Crisis – Tobacco-Related Illness



- 20.8% of Americans smoke
- Leading cause of preventable death
 - 1 in 5 deaths attributed to tobacco (443,000 deaths/year)
- For each death, 20 people suffer from serious tobacco-related illness

About 443,000 U.S. Deaths Attributable Each Year to Cigarette Smoking*



* Average annual number of deaths, 2000–2004.
Source: *MMWR* 2008;57(45):1226–1228.



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The Impact - Tobacco



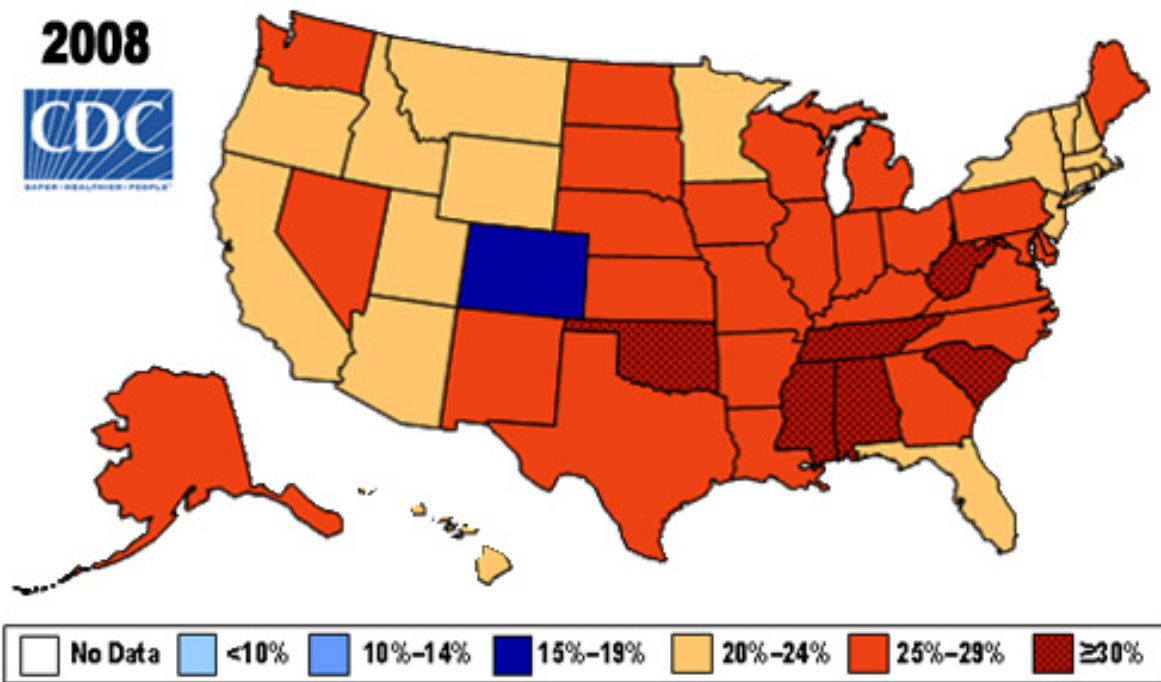
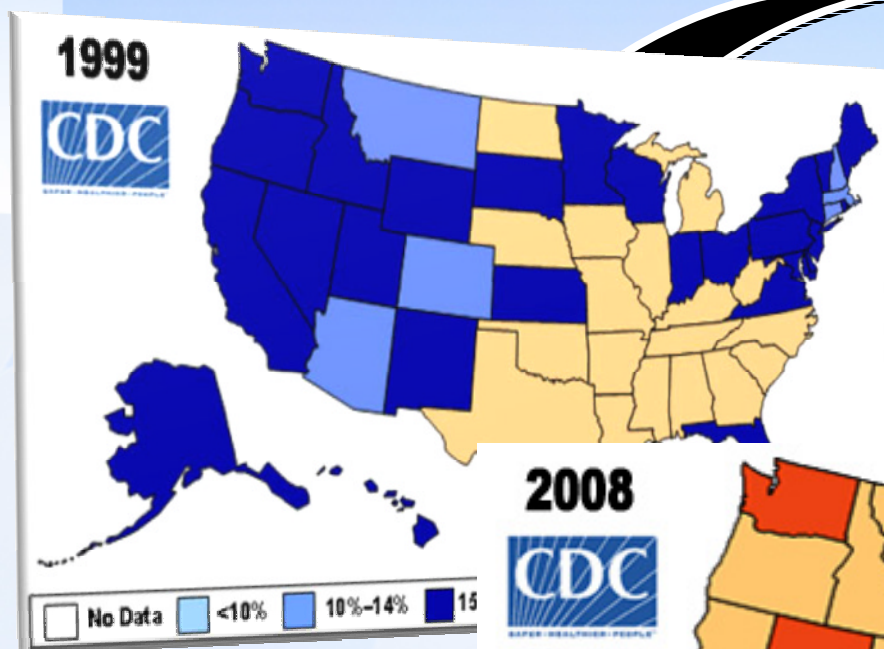
What it Means to Average Employer . . .

- The average smoker costs
 - \$1,623 per year in excess medical expenses
 - \$3,391 per year in excess medical expenses *and* productivity losses
- Twice as likely for hospital admissions
- 50% more likely to be absent
 - 5.5 more work days per year



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The Crisis - Obesity



The rising rate of obesity is responsible for **\$90 billion** in U.S. healthcare expenditures each year

The Impact - Obesity



What it Means to the Average Employer . . .

- Medical costs are 77% higher for obese person
- Obesity-related disabilities cost employers upwards of \$8,720 per claimant per year
- A BMI (Body Mass Index) > 27 (overweight) equals an average production loss of 5.79 hours/week
- An obese person averages 7 or more absences per year



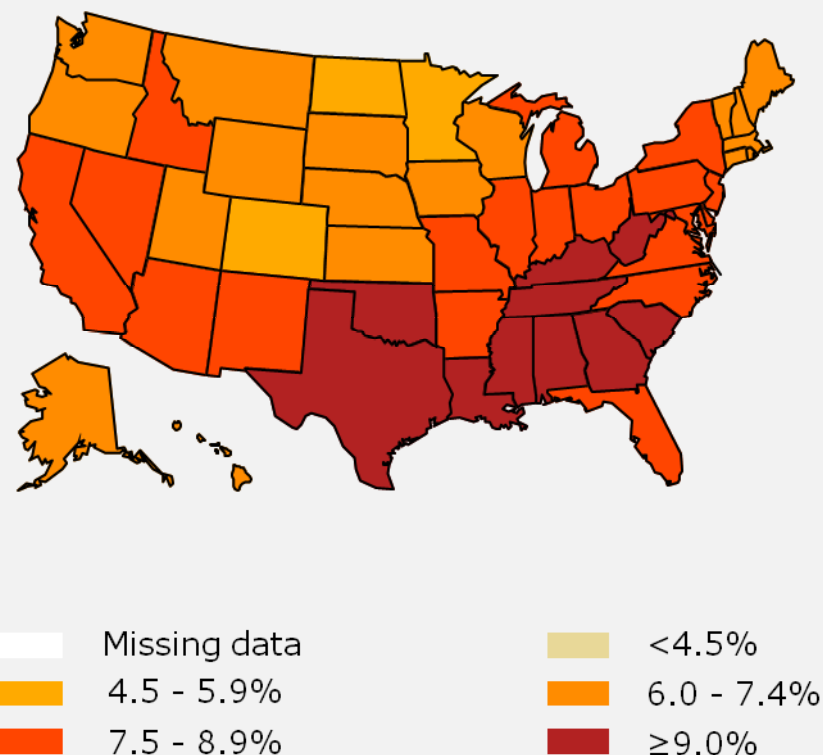
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Wellness Target: Diabetes



- 10.7% of Americans over the age of 20 have diabetes
- Diabetes-associated complications
 - Heart disease and stroke
 - High blood pressure
 - Kidney disease
 - Amputations
 - Blindness

Percentage of U.S. Adults with Diagnosed Diabetes in 2007



The Impact: Diabetes



What it Means to Average Employer . . .

- The average diabetic costs \$11,744 in *direct* healthcare costs per year
- Cost of healthcare for persons with diabetes is 5 *times* that of healthy people
- Rates of heart disease increase 2 to 4 times in people with diabetes
- Diabetes is the leading cause in kidney failure

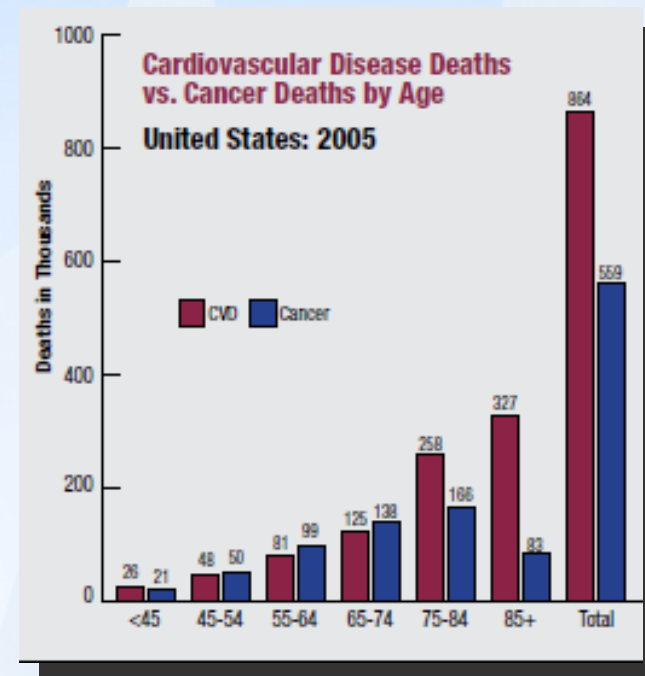


* Estimate cost based upon Centers for Disease Control and Prevention statistics and not actual Texas Molecular data.

The Crisis: Cardiovascular Conditions



- 1 in 3 adults has high blood pressure
 - 78.7% of adults with high BP are unaware of their condition
- 42% of adults have high cholesterol
- Cardiovascular disease accounts for 34.5% of all deaths
- In 2006, there were 4,378,000 visits to the emergency room with the diagnosis of cardiovascular disease





The Impact: Chronic Disease

What it Means to Average Employer . . .

Estimated Direct and Indirect Costs (in Billions of Dollars) of CVD and Stroke: United States: 2009

	Heart Diseases*	Coronary Heart Disease	Stroke	Hypertensive Disease	Heart Failure	Total Cardiovascular Disease
Direct costs						
Hospital	\$106.3	\$54.6	\$20.2	\$8.2	\$20.1	\$150.1
Nursing home	\$23.4	\$12.3	\$16.2	\$4.8	\$4.5	\$48.2
Physicians/other professionals	\$23.8	\$13.4	\$3.7	\$13.4	\$2.4	\$46.4
Drugs/other						
Medical durables	\$22.1	\$10.3	\$1.4	\$25.4	\$3.3	\$52.3
Home health care	\$7.4	\$2.2	\$4.4	\$2.4	\$3.4	\$16.8
Total expenditures	\$183.0	\$92.8	\$45.9	\$54.2	\$33.7	\$313.8
Indirect costs						
Lost productivity/morbidity	\$24.0	\$10.6	\$7.0	\$8.4	...	\$39.1
Lost productivity/mortality	\$97.6	\$62.0	\$16.0	\$10.8	\$3.5*	\$122.4
Grand totals	\$304.6	\$165.4	\$68.9	\$73.4	\$37.2	\$475.3

Ellipses (...) indicate data not available.

*This category includes CHD, HF, part of hypertensive disease, cardiac dysrhythmias, rheumatic heart disease, cardiomyopathy, pulmonary heart disease, and other or ill-defined "heart" diseases.

Totals do not add up because of rounding and overlap.

Lost future earnings of persons who will die in 2009, discounted at 3%.

All estimates prepared by Thomas Thorn, NHLBI.

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Costs Follow Risks



- A 19-year study of 10,245 men at Cooper Clinic showed that the average cost for “fit” men was 53% less than “unfit” men*
- The average cost of an overweight female is 22.6% more than a healthy weight female**

*Medical & Science in Sports & Exercise, 2005

**Journal of American Medical Association, 2005

It pays to take care of your health!

What Is Wrong With This Picture?

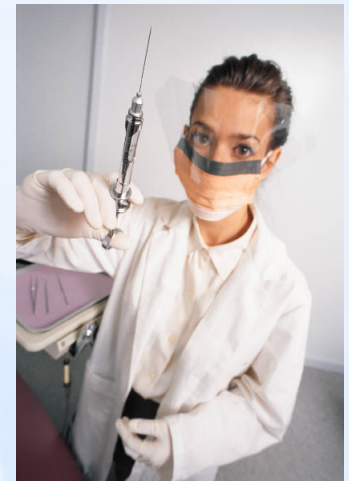


- We spend 97% of available healthcare dollars for restoration/illness, and...
- We spend 3% of the available healthcare dollars on prevention

BUT...

- 72% of disease is preventable
- 50% of cancers are avoidable
- 50% of accidents are avoidable

-William B. Mercer Study, 2003



Potential Return



Reducing one health risk can...

- Reduce **absenteeism**
- Improve **productivity**
- Improve **moral**
- Reduce **healthcare costs**
- Decrease **healthcare expenditures**
- Decrease **absenteeism-STD/LTD**
- Reduce **turnover rate**
- Increase **loyalty**



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Questions?



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Your Regional Wellness Team

**Thank you for attending this
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The intent of this presentation is to provide you with general information regarding the topic presented. It does not necessarily fully address specific issues with respect to your employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.